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UNEP/HLC/3/1
8 October 1998

ORIGINAL: ENGLISH

HIGH-LEVEL COMMITTEE OF
MINISTERS AND OFFICIALS
Third meeting
Buenos Aires, 10 November 1998

PROVISIONAL AGENDA

1. Opening of the meeting.

2. Adoption of the agenda and organization of the work of the meeting.

3. Implementation of the conclusions of the second meeting of the High-level Committee of Ministers and Officials.

4. Financing sustainable development: the role of the United Nations Environment Programme in the financial mechanism.

5. Contribution of the United Nations Environment Programme to the seventh session of the Commission on Sustainable Development, on, inter alia, oceans, small island developing States, tourism and consumption and production patterns.

6. Reform of the United Nations Environment Programme.

7. Other matters.

8. Closure of the meeting.

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HIGH-LEVEL COMMITTEE OF
MINISTERS AND OFFICIALS
Third meeting
Buenos Aires, 10 November 1998

ANNOTATED PROVISIONAL AGENDA

Item 1: Opening of the meeting

1. The third meeting of the High-level Committee of Ministers and Officials will be opened at 10 a.m. on Tuesday, 10 November 1998, by the Chair or, in his absence, by one of the other officers of the Committee.

2. At its second meeting, held in Nairobi from 2 to 4 March 1998, the Bureau of the Committee was constituted as follows:

Chair:	Mr. Simon Khaya Moyo (Zimbabwe)
Vice-Chairs:	Ms. Maria Julia Alsogaray (Argentina) Mr. Xia Kunbao (China) Mr. Janusz Radziejowski (Poland)
Rapporteur:	Mr. Philippe Roch (Switzerland)

3. At its fifth special session, the Governing Council formally confirmed the following States as members elected to the High-level Committee of Ministers and Officials, in accordance with paragraph (b) of its decision 19/32 of 4 April 1997: Algeria, Argentina, Australia, Austria,

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Bahamas, Bangladesh,* Burundi, China, Cuba, Czech Republic, Democratic Republic of the Congo, Denmark,** Egypt, El Salvador, Finland,*** India,**** Indonesia, Islamic Republic of Iran, Italy, Japan * Kenya, Mexico, Netherlands, Nigeria, Pakistan,* Peru, Philippines,* Poland, Republic of Korea, Romania, Russian Federation, Samoa,**** Senegal, Sri Lanka,**** Switzerland, Thailand,**** Uganda, United Kingdom of Great Britain and Northern Ireland, United States of America, Zambia and Zimbabwe.

4. In keeping with the decision taken at Nairobi on 22 May 1998 by the Bureau of the High-level Committee of Ministers and Officials and pursuant to the mandate provided to the Bureau by the Committee to hold the third meeting of the Committee on 10 November 1998, the day before the high-level segment of the fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Buenos Aires, the third meeting of the High-level Committee of Ministers and Officials will be held on Tuesday, 10 November 1998, at the Secretariat of Natural Resources and Sustainable Development in Buenos Aires. The Bureau of the Committee will meet in the evening of 9 November at the kind invitation of Minister Maria Julia Alsogaray of Argentina.

Item 2: Adoption of the agenda and organization of the work of the meeting

5. The provisional agenda for the third meeting of the Committee, as agreed by the Bureau of the High-level Committee of Ministers and Officials at Nairobi, and including the inputs of Governments, as requested by the Chairman of the Committee in his letter of 2 June 1998, is contained in document UNEP/HLC/3/1.

6. The Executive Director recommends that the Committee deal with all the items of the provisional agenda in two plenary meetings.

Item 3: Implementation of the conclusions of the second meeting of the High-level Committee of Ministers and Officials

7. The conclusions of the Committee at its second meeting addressed, inter alia, trust funds in support of the work of the High-level Committee of Ministers and Officials; adequate, growing and predictable funding of the United Nations Environment Programme (UNEP); UNEP reform and revitalization in the context of United Nations reform; and freshwater.

8. In the light of the foregoing, the Executive Director will include in his statement to the meeting a report on progress in the implementation of the conclusions of the second meeting of the High-level Committee of Ministers and Officials (UNEP/HLC/3/2). The Committee will have before it the report of the High-level Committee of Ministers and Officials on the work of its second meeting (UNEP/HLC/2/6).

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* For 1997/98 only.

** For 1998 and 2000.

*** For 1997 and 1999.

**** For 1998/99 only.

Item 4: Financing sustainable development: the role of the United Nations Environment Programme in the financial mechanism

9. Under this item, the Executive Director will inform the Committee on the efforts made by UNEP to promote the implementation of multilateral environmental agreements, including the organization of meetings at the ministerial and expert levels, as well as seminars and workshops designed to enhance understanding of the provisions of those agreements.

10. To assist it in its deliberations, the Committee will have before it the report of the Executive Director on the financial mechanism (UNEP/HLC/3/3).

Item 5: Contribution of the United Nations Environment Programme to the seventh session of the Commission on Sustainable Development, on, inter alia, oceans, small island developing States, tourism and consumption and production patterns

11. By its decision SS.V/3 of 22 May 1998, on the contribution of UNEP to the seventh session of the Commission on Sustainable Development, the Governing Council requested the Executive Director to consult with Member States, particularly developing countries, both individually and in regional and subregional groupings, on environmental aspects of oceans management, including the problems of the sustainable development of small island developing States, and sustainable tourism and, on the basis of these consultations, to prepare reports for the consideration of the High-level Committee of Ministers and Officials - the Governing Council at its twentieth session, with a view to submitting the reports as a contribution to the work of the Commission on Sustainable Development at its seventh session.

12. To assist it in its deliberations, the Committee will have before it the contribution of UNEP to the seventh session of the Commission on Sustainable Development, on, inter alia, oceans, small island developing States, tourism and consumption and production patterns (UNEP/HLC/3/4).

Item 6: Reform of the United Nations Environment Programme

13. The Committee will have before it the report of the United Nations Task Force on Environment and Human Settlements to the Secretary-General (UNEP/HLC/3/INF/1) and a summary by Klaus Töpfer of the work of the Task Force (UNEP/HLC/3/INF/2). In addition, the Executive Director will give an oral presentation on the progress made in the area of UNEP reform and revitalization within the context of United Nations reform.

Item 7: Other matters

14. Under this item, the Committee may wish to confirm its decision, adopted at its first meeting, to entrust the finalization of the report to the Rapporteur, in consultation with the secretariat, and for the report to be distributed to all members of UNEP in a timely manner.

15. In addition, under this item, the Committee will have before it the note by the Executive Director on the complementarity of the core activities of UNEP and its Global Environment Facility (GEF) interventions

(UNEP/HLC/3/INF/3), as well as an information note on the measures initiated by UNEP to mainstream GEF operations in its regular activities (UNEP/HLC/3/INF/4), submitted, at the request of the GEF Council, to the Council at its October 1998 meeting in Washington, D.C. The Committee will also have before it an information note on the results of that meeting which are of relevance to UNEP (UNEP/HLC/3/INF/5).

16. Members of the Committee may bring any other matter to the attention of the Committee.

Item 8: Closure of the meeting

17. The meeting is expected to conclude its work by 6 p.m. on Tuesday, 10 November 1998.

Annex

DOCUMENTATION BEFORE THE MEETING

UNEP/HLC/3/1	Provisional agenda
UNEP/HLC/3/1/Add.1	Annotated provisional agenda
UNEP/HLC/3/2	Statement of the Executive Director on progress in implementation of the conclusions of the second meeting of the High-level Committee of Ministers and Officials
UNEP/HLC/2/6	Report of the High-level Committee of Ministers and Officials on the work of its second meeting
UNEP/HLC/3/3	Report of the Executive Director on the financial mechanism
UNEP/HLC/3/4	Contribution of the United Nations Environment Programme to the seventh session of the Commission on Sustainable Development, on, inter alia, oceans, small island developing States, tourism and consumption and production patterns
UNEP/HLC/3/INF/1	Report of the United Nations Task Force on Environment and Human Settlements to the Secretary-General
UNEP/HLC/3/INF/2	United Nations Task Force on Environment and Human Settlements: Summary by Klaus Töpfer
UNEP/HLC/3/INF/3	Note by the Executive Director on the complementarity of the core activities of the United Nations Environment Programme and its Global Environment Facility interventions
UNEP/HLC/3/INF/4	Note by the secretariat on the measures initiated by United Nations Environment Programme to mainstream Global Environment Facility operations in its regular activities
UNEP/HLC/3/INF/5	Note by the secretariat on the results of the October 1998 meeting of the Council of the Global Environment Facility which are of relevance to the United Nations Environment Programme

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HIGH-LEVEL COMMITTEE OF
MINISTERS AND OFFICIALS
Third meeting
Buenos Aires, 10 November 1998
Item 3 of the provisional agenda*

IMPLEMENTATION OF THE CONCLUSIONS OF THE SECOND MEETING OF THE HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS

Statement by the Executive Director

INTRODUCTION

1. The conclusions of the High-level Committee of Ministers and Officials at its second meeting, held from 2 to 4 March 1998, addressed, inter alia, trust funds in support of the work of the High-level Committee of Ministers and Officials; adequate, growing and predictable funding of the United Nations Environment Programme (UNEP); UNEP reform and revitalization in the context of United Nations reform; and freshwater. The present statement reports on the status of implementation of these activities since the second meeting of the Committee.

I. STATUS OF THE TRUST FUNDS IN SUPPORT OF THE WORK OF THE HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS

2. In response to subparagraphs (n) and (o) of Governing Council decision 19/32 of 4 April 1997, two trust funds, one general and one technical, were established in support of the work of the High-level Committee of Ministers and Officials. As at 30 September 1998, the Technical Trust Fund, established to cover the costs of the meetings of the High-level Committee of Ministers and Officials, had received $300,000 both in 1997 and in 1998,

* UNEP/HLC/3/1

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totalling $600,000, from the United States of America. To date, a total of $90,450, inclusive of the administrative support cost, has been spent, leaving a balance of $509,550 for programming.

3. As at 30 September 1998, the General Trust Fund, established to provide financial assistance to facilitate the participation in the work of the Committee of developing countries and, in particular, the least developed among them, had received contributions to a total of $99,766, consisting of $33,040 from the United Kingdom of Great Britain and Northern Ireland and $7,308 from Australia in 1997 and $6,803 from Switzerland, $5,000 from Argentina and $47,615 from Norway in 1998. To date, a total of $34,229, inclusive of the administrative support cost, has been spent, leaving a positive balance of $65,537 available for programming. The financial status of the trust funds to support the meetings of the High-level Committee of Ministers and Officials is contained in the annex to the present statement.

4. The Executive Director continues to seek funding support to ensure the wide participation of developing countries and countries with economies in transition in the work of the Committee. To this end, an appeal was made on 24 September 1998 to donor Governments for contributions to the General Trust Fund, to support the participation of the above-mentioned countries in the third meeting of the Committee.

II. ADEQUATE GROWING AND PREDICTABLE FUNDING FOR UNEP

5. The Executive Director circulated three documents (UNEP/HLC/2/3; UNEP/HLC/2/3/Add.1; UNEP/HLC/2/INF/4) dealing with stable, adequate and predictable financing of UNEP in the future and with the critical financial shortfall facing UNEP in the current biennium, for the consideration of the Committee at its second meeting, held from 2 to 4 March 1998. Time did not permit a full discussion of these papers at that meeting. Some delegations offered helpful suggestions, however, when making their general statements.

6. At its nineteenth session, the Governing Council, in decision 19/23 of 7 February 1997, requested the Executive Director to explore, in consultation with Governments, ways and means to secure stable, adequate and predictable funding for UNEP in the future, and to report thereon to the Governing Council at its twentieth session. Accordingly, preparations are in hand to place before the Governing Council at its twentieth session a paper comprising proposals for stable, adequate and predictable funding.

7. In addition, the secretariat has undertaken fruitful efforts to build a strong relationship with the Turner Foundation, which was established, inter alia, to provide funding for environmental activities in certain priority areas. The Turner Foundation will only fund projects for activities which are not part of the UNEP regular programme of activities. The adequate and predictable funding for UNEP core activities will continue to depend on Governments' contribution to the Environment Fund.

III. UNEP REFORM AND REVITALIZATION IN THE CONTEXT OF UNITED NATIONS REFORM

8. In addition to the conclusions of the High-level Committee of Ministers and Officials at its second meeting, at its fifth special session held from 20 to 22 May 1998, the Governing Council also adopted decision SS.V/2 of 22 May 1998, on the revitalization, reform and strengthening of UNEP. Significant progress has been reached not only in the area of the reform of UNEP itself, but also in the reform of UNEP within the context of United Nations reform, as is evident from the recommendations of the report of the United Nations Task Force on Environment and Human Settlements (UNEP/HLC/3/INF/1).

9. A more detailed report on progress in the reform of UNEP will be presented under item 6 of the provisional agenda, on the reform of UNEP.

IV. FRESHWATER

10. The third area of concentration for UNEP is freshwater. The issue of freshwater resources as a major requirement for human survival and social and economic development remains a high priority, both within the UNEP work programme and within other United Nations agency agendas. To that end, the UNEP High-Level Committee of Ministers and Officials highlighted the environmental aspects of those issues as a UNEP priority.

11. In response to this imperative, as well as to discussions arising from the various international meetings on freshwater resources, UNEP is working to define the environmental aspects of its water-related work. One activity is the enhancement of UNEP abilities to broker international cooperation on transboundary water issues, including a planned evaluation of the effectiveness of existing legal instruments for integrated water management and use at the river and lake basin scale. UNEP is also working to finalize and test scientifically sound guidelines for the integrated management of freshwater rivers and lakes and the downstream coastal areas into which they drain. As a complementary activity within the context of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, efforts are underway to put into practical operation the clearing-house mechanism for specific pollutant source categories. Partnerships are being pursued with previously under-utilized partners in the field of water. The World Business Council for Sustainable Development and its member industries represent a prominent example.

12. UNEP water-related assessment activities are also being revitalized, including efforts to modernize the Global Environment Monitoring System (GEMS)/Water monitoring efforts. A particular goal is to develop an approach for presenting the results of this monitoring in a form readily understood and used by water managers and decision makers. UNEP is also working with its sister agencies to develop an early warning component within GEMS/Water, thereby allowing easier identification and analysis of emerging water-related issues on a global and regional scale. UNEP and the United Nations Centre for Human Settlements (UNCHS) (Habitat) have recently received funding approval from the Turner Foundation for a joint project, entitled "Managing Water for African Cities", to address, first, water demand management in

urban areas, and, second, identification and mitigation of the impacts of urban areas on freshwater resources. Within the context of the United Nations System-wide Special Initiative for Africa, UNEP and the World Meteorological Organization (WMO) are working to develop a joint water assessment and technology initiative to address some of the water objectives of the Special Initiative. UNEP has also taken initial steps to determine its role in regard to the impacts of the La Niña phenomenon on freshwater resources. Finally, UNEP is working to make better use of government expertise in its water-related work. A recent example is the request by UNEP to its Committee of Permanent Representatives to provide the thoughts and recommendations of their Governments on UNEP work in addressing the special needs of small island developing States.

Annex

HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS
FINANCIAL STATUS OF THE TRUST FUNDS TO SUPPORT MEETINGS OF THE HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS

1. Technical Trust Fund in Support of the Work of the UNEP High-level Committee of Ministers and Officials

Contribution by the Government of the United States of America to cover the costs of the meetings of the High-level Committee of Ministers and Officials

	1997	1998 (as at 31/09/98)	Total
Contribution paid	300,000	300,000	600,000
Expenditures			
Overtime of GS staff	10,268	-	10,268
Temporary Assistance	20,264	7,240	27,504
Translation costs	23,768	-	23,768
Communications (tel, fax etc)	18,504	-	18,504
Sub-Total, expenditures	**72,804**	**7,240**	**80,044**
Trust Fund Support Cost 13%	9,465	941	10,406
Total Expenditures	**82,269**	**8,181**	**90,450**
Remaining	217,731	291,819	509,550
Trust Fund Support Cost 13%	28,305	37,936	66,241
Remaining for activities in 1998	**189,426**	**253,883**	**443,309**

2. General Trust Fund in Support of the Work of the UNEP High-level Committee of Ministers and Officials

To provide financial assistance to facilitate the participation in the work of the Committee by developing countries and in particular the least developed among them, as well as countries with economies in transition.

	1997	1998	Total
Contributions paid			
Australia*	7,308	-	7,308
United Kingdom	33,040	-	33,040
Switzerland	-	6,803	6,803
Argentina	-	5,000	5,000
Norway	-	47,615	47,615
Total	**40,348**	**59,418**	**99,766**
Expenditures			
Participants' travel	1,877	5,202	7,079
Participants' travel	6,874	16,338	23,212
Sub-total, expenditures	**8,751**	**21,540**	**30,291**
Trust Funds Support Cost 13%	1,138	2,800	3,938
Total Expenditures	**9,889**	**24,340**	**34,229**
Remaining	30,459	35,078	65,537
Trust Fund Support Cost	3,960	4,560	8,520
Remaining for activities	**26,499**	**30,518**	**57,017**

* The Australian contribution is limited to be used for travel from their region.

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MINISTERS AND OFFICIALS
Third meeting
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Item 4 of the provisional agenda*

FINANCING SUSTAINABLE DEVELOPMENT: THE ROLE OF THE UNITED NATIONS ENVIRONMENT PROGRAMME IN THE FINANCIAL MECHANISM

Report by the Executive Director

INTRODUCTION

1. The growth in the number of international environmental agreements, with their respective financial mechanisms, is bringing about a diversification and constant redefinition of the arrangements for the financing of the global environmental agenda. Today there are 10 global conventions and international agreements in which the United Nations Environment Programme (UNEP) is engaged to varying degrees; in the area of regional seas alone, there are 14 conventions and action plans, most with individual trust funds, and the aggregate amount of financial resources in the convention trust funds administered by UNEP already exceeds the resources of the Environment Fund. This means that the funding of the global environmental agenda is increasingly being driven by sectoral financial mechanisms, with integrated, cross-sectoral funding conversely on the decline. Accordingly, successful efforts in providing global solutions to global environmental problems through the strengthening of international law require the closer coordination of financial mechanisms.

* UNEP/HLC/3/1

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2. The purpose of this paper is twofold: first, to examine the role which UNEP has played in the development and implementation of a number of these financial mechanisms; and, second, to seek guidance from the High-level Committee of Ministers and Officials on how to enhance the role of UNEP in the further development and implementation of financial mechanisms.

3. The financial mechanisms for international conventions and agreements can be divided into four types:

(a) Global Environment Facility (GEF);

(b) Multilateral Fund under the Montreal Protocol on Substances that Deplete the Ozone Layer;

(c) Traditional trust funds set up by the conferences of parties for their respective conventions or agreements; and

(d) New and innovative financial mechanisms, such as activities implemented jointly (AIJ) and the clean development mechanism of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

I. TYPES OF FINANCIAL MECHANISM

A. Global Environment Facility

4. GEF was created, in 1991, to assist in the protection of the global environment and to promote environmentally sound and sustainable economic development, by resolution of the executive directors of the World Bank and through related interagency arrangements between the United Nations Development Programme (UNDP), UNEP and the World Bank. GEF provides new and additional grant and concessional funding to meet the agreed incremental costs of achieving global environmental benefits in the focal areas of climate change, biodiversity, international waters and ozone-layer depletion.

5. According to the 1994 Instrument for the Establishment of the Restructured Global Environment Facility, the three implementing agencies (World Bank, UNDP and UNEP) shall be accountable to the GEF Council for their GEF-related activities and for the implementation of operational policies, strategies and decisions of the Council within their respective areas of competence, including support on an interim basis to the conventions on biological diversity and climate change.

6. As a trustee for the environment, UNEP is expected to play a strategic and distinctive role in GEF, by:

(a) Promoting greater responsiveness of GEF to global environmental priorities, through informed decision-making, by providing strategic inputs and by fostering complementarity between actions in each focal area, so that GEF activities are consistent with global and regional assessments, conventions and agreements, action plans and policy frameworks in a development context;

(b) Providing necessary scientific and technical inputs at all levels, to ensure the scientific and technical integrity of the GEF process, and contributing effectively to the formulation of GEF strategies;

(c) Providing the perspective of global and regional frameworks and strategies which UNEP has helped to develop; and

(d) Implementing projects of a strategic nature and importance that contribute directly to increased understanding, knowledge and awareness of critical aspects of global environmental issues addressed by GEF, and also by contributing to the implementation of projects of partner agencies at their request and assisting countries, when so requested by Governments and relevant organizations, to assess their needs and develop project ideas.

7. UNEP is also responsible for establishing and supporting the Scientific and Technical Advisory Panel (STAP) as an advisory body to GEF.

8. The following paragraphs summarize UNEP support to activities implemented in the four focal areas addressed by GEF.

1. Biodiversity

9. UNEP initiated the Global Biodiversity Assessment, with funding from GEF, with the aim of providing an independent, critical, peer-reviewed scientific analysis of the current issues relating to biodiversity. The Assessment has served as a basis for decision-making to meet the objectives of the Convention on Biological Diversity.

10. UNEP has also provided support to developing countries in undertaking enabling activities in meeting their obligations under the Convention on Biological Diversity, in such areas as capacity-building and institutional strengthening; training and education of scientific, technical and management personnel; and facilitating access to, and the transfer of, technologies.

11. These projects relate, in particular, to the preparation of national biodiversity country studies, strategies and action plans; and activities for which UNEP has an unquestionable comparative advantage over the other two implementing agencies of GEF, including capacity-building in managing risks associated with biotechnology; and projects of a transboundary, regional or global scope.

12. The total portfolio of UNEP biodiversity projects funded by GEF since its inception amounts to $27,577,000.

2. Ozone

13. UNEP activities in the GEF priority areas of information, monitoring and assessment and of environmental policy instruments, include assistance to a number of countries in the formulation of programmes for the phase-out of ozone-depleting substances (ODS) and, together with UNDP, the development of ODS phase-out action plans. In addition, to promote compliance with the Montreal Protocol, UNEP has, with GEF financing, assisted countries with economies in transition to promote compliance with trade and licensing provisions of the Montreal Protocol.

14. The portfolio of UNEP ozone projects supported by GEF amounts to $2,247,000.

3. Climate change

15. Since 1991, UNEP, with GEF financing, has been assisting developing countries in fulfilling their obligations under the Framework Convention on Climate Change, in such areas as reporting on national inventories and programmes to address climate change and its adverse impacts. Among other activities in this area, UNEP undertook, in 1991, the very first GEF project, related to the preparation of national inventories of sources and sinks of greenhouse gases and, through its collaborating centre on energy and climate change in Denmark, carried out a project on calculating the costs of mitigating climate change. Currently, with GEF funding, UNEP is assisting more than 20 countries with their initial national communications to the Framework Convention on Climate Change and it has now acquired the expertise to assist GEF in supporting developing countries to move beyond the national communications requirements under the Convention.

16. GEF has provided $16,698,000 to climate projects implemented by UNEP.

4. International waters

17. UNEP activities in the area of international waters fall within the GEF priority areas of information, monitoring and assessment; environmental policy instruments; freshwater; and technology transfer. UNEP has embarked on the Global International Waters Assessment, which will help identify priorities for action. In addition, a regionally based assessment of persistent toxic substances is being prepared with GEF Project Preparation and Development Facility (PDF) funding to determine priority areas for action in line with the ongoing negotiations for an international legally binding instrument on persistent organic pollutants (POPs). In addition, within this priority area for UNEP, the organization has initiated, inter alia, transboundary diagnostic analyses of shared water bodies, activities relating to the issue of shared water management and the promotion of technology transfer.

18. The total portfolio of UNEP international waters projects funded by GEF in the 1996/97-1997/98 fiscal years amounts to $20,970,000. An additional $34,835,000 is projected for the 1998/99 fiscal year, ending 30 June 1999, of which approximately $14 million has been secured.

5. Land degradation

19. Although land degradation is not one of the focal areas eligible for GEF funding, projects addressing global environmental objectives related to biodiversity, climate change or international waters may address land degradation issues as they relate to the focal point concerned. As land degradation is a multi-dimensional activity, it may be that GEF activities in this area will help achieve global environmental objectives in more than one focal area. Activities in land degradation as it relates to other focal

areas have focused on regional and transboundary ecosystems especially in Africa, which require joint efforts on the part of the countries where those resources are found. With the assistance of GEF PDF A and B grants, there are five projects in the pipeline to cover activities related to land degradation.

20. GEF support to UNEP-implemented land degradation projects amounts to $10,632,000.

B. Multilateral Fund under the Montreal Protocol

21. The financial mechanism established in 1990 under the Montreal Protocol, to assist developing countries, includes the Multilateral Fund and other multilateral, regional and bilateral cooperation. The Fund meets the incremental costs of the Parties operating under Article 5 of the Protocol (developing countries) to implement the control measures of the Protocol and finance all clearing-house functions. The Fund secretariat is co-located with and administered by UNEP, and is financed from the Fund, with an annual budget of $3 million.

22. The Multilateral Fund operates through four implementing agencies, each with slightly different roles: the UNEP Division of Technology, Industry and Environment, which provides clearing-house functions and helps prepare country programmes for low-consuming developing countries; UNDP; the United Nations Industrial Development Organization (UNIDO) and the World Bank.

23. The total cumulative allocation to UNEP as one of the implementing agencies of the Multilateral Fund has now risen to $32.4 million. UNEP activities as an implementing agency are all coordinated by the Division of Technology, Industry and Environment in Paris.

24. Since June 1991, the UNEP OzonAction programme under the Multilateral Fund has been designing, developing and delivering quality-reviewed, need-based services for key stakeholders in developing countries. OzonAction aims, inter alia, to strengthen the capacity of Governments and industry in developing countries to take informed decisions that will result in effective investment projects, and to build up the local expertise required for the responsible management of ODS phase-out projects with minimal external intervention. UNEP activities fall into two main categories:

(a) Core clearing-house activities, comprising global and regional information exchange and the training and networking of national ozone units;

(b) Country-specific support activities, comprising country programmes and institutional strengthening for countries that consume low volumes of ODS, national training, and refrigerant management plan preparation as specified in the country programme and approved by the Executive Committee.

C. Traditional financial mechanisms: trust funds of conventions and other international agreements

25. Most conventions and international agreements have trust funds created by contracting or concerned parties for funding secretariat operations and the implementation of work programme activities. For UNEP-administered conventions, UNEP serves as the trustee. In addition, as the secretariat of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, UNEP administers the trust fund for financing the operations of the secretariat in The Hague with funds provided by the Government of the Netherlands. Through the United Nations Office at Nairobi, UNEP support to the administration of these conventions and agreements includes human resources management, budget and funds management, financial resources management, support services, security and safety services, information technology services and conference services.

26. The responsibility of UNEP is to ensure effective management of the resources of the conventions, to assist them in programming, budgeting, accounting and meeting all their financial reporting requirements. This entails assisting the secretariats, first, with the preparation, review and justification of the respective programmes presented to their conferences of parties and, second, with the design and revision of projects to implement the objectives of their conventions or agreements. The guidelines for project design and the approval process are those laid down by UNEP.

27. The Financial Rules of the Fund of the United Nations Environment Programme and the Financial Regulations and Rules of the United Nations are strictly adhered to in these convention trust funds, with UNEP providing guidelines for the transactions and accounts of the conventions, including systems and facilities which help ensure the smooth performance of their programmatic activities. UNEP ensures at all times that the budget for the proposed activities of the conventions is in line with the resources paid into their trust funds. The United Nations Board of External Auditors audits the accounts and finances of the conventions and their secretariats and these are reported to the General Assembly as part of the UNEP accounts.

D. Innovative financial mechanisms

28. Attention is drawn to the following three types of innovative financial mechanisms.

1. Activities implemented jointly

29. In the area of AIJ, in October 1996, UNEP sponsored an open forum in San José, Costa Rica, to discuss new partnerships to reduce the build-up of greenhouse gases. The forum recognized that the AIJ-related issues needing urgent attention were financial mechanisms and technology transfer. UNEP was asked to address those issues and, as necessary, further forums targeting these matters will be encouraged by UNEP.

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CONTRIBUTION OF THE UNITED NATIONS ENVIRONMENT PROGRAMME TO THE SEVENTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT, ON, INTER ALIA, OCEANS, SMALL ISLAND DEVELOPING STATES, TOURISM AND CONSUMPTION AND PRODUCTION PATTERNS

Note by the Executive Director

INTRODUCTION

1. The present note contains the major elements of the contribution by the United Nations Environment Programme (UNEP) to the seventh session of the Commission on Sustainable Development, on, inter alia, oceans, small island developing States, tourism and consumption and production patterns.

I. SUSTAINABLE MANAGEMENT AND USE OF OCEANS AND COASTAL AREAS

A. Background

2. Chapter 17 of Agenda 21, which deals with the protection of oceans and coastal areas and use of their resources, explicitly recognizes that the oceans and adjacent coastal areas form an integrated whole; that the United Nations Convention on the Law of the Sea provides the international basis upon which to pursue the protection and sustainable development of the marine

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and coastal environment and its resources; and that new approaches to marine and coastal area management and development are required that are integrated in content and precautionary and anticipatory in ambit.

3. Since the adoption of Agenda 21, and in the spirit of Rio, considerable further progress has been made in strengthening international efforts in the sustainable management and use of oceans and coastal areas and, to that end, a number of international instruments have been concluded and global programmes developed.

B. Role and actions of UNEP in facilitating the implementation of chapter 17

4. The regional seas programme, initiated in 1974, remains the central programme providing the major legal, administrative, substantive and financial framework for implementation of Agenda 21 and its chapter 17 in particular. While the initial focus of the regional seas programme was on the protection of the marine environment against pollution, it subsequently shifted towards the development and protection of the marine and coastal environment through improved management. This evolution prompted UNEP to assume one of the lead roles in promoting the concept of integrated coastal zone management.

5. Further contributions to the implementation of chapter 17 are made by UNEP through a number of its programme elements and through programmes and agreements for which UNEP acts as the secretariat or coordinator.

C. State of the environment and trends in regard to oceans and coastal areas

6. Over the past decade, notwithstanding some notable successes in addressing problems caused by certain specific forms of marine pollution, and more generalized successes in improving the environmental quality of coastal areas in some geographical areas, the degradation of the oceans, coastal areas, and their resources has continued and, in many places, even intensified.

7. It is now recognized that the main driving force of the problems is ill-planned coastal social and economic development. This awareness has led to a series of policy decisions, launching of new research, observation and management programmes, a shift in the focus of action from sectoral to intersectoral approaches and the consideration of marine affairs as an integral part of coastal social and economic development.

D. Major future environmental challenges and priority issues for oceans and coastal areas

8. A reduction in the impact of various land-based activities is the most urgent problem. Coastal urbanization, industrial development, drainage basin modifications, commerce and transport, tourism, agriculture, forestry and aquaculture are among the most important activities affecting the marine and coastal environment. To address those problems, it is now generally recognized that conventional sectoral approaches must be replaced by a cross-sectoral, or holistic, integrated coastal zone management (ICZM).

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9. ICZM must also include management of river basins and groundwater systems associated with coastal zones. In spite of their obvious ecological, economic and social interdependence, the need for adopting drainage basins as units of ICZM is still not adequately recognized.

10. Aside from obstacles of a political nature, the effectiveness of ICZM may be constrained in many countries by the lack of funding, both for capital projects and for the initiation of certain activities, or the lack of relevant managerial or technical skills. The importance of these constraints cannot be overemphasized.

E. Proposal for future UNEP actions to address the environmental challenges of chapter 17

11. UNEP should strengthen the regional seas programme as its central mechanism for the implementation of UNEP activities relevant to chapter 17. In the framework of this programme, UNEP should stimulate the implementation of activities identified in six programmes areas of chapter 17, specifically:

(a) Integrated management and sustainable development of coastal areas, by measures to promote, inter alia, the integrated management and sustainable development of coastal areas and associated river-basins as the overarching principle governing the activities of the programme; to promote the establishment of regional commissions for sustainable development; and to assist countries in strengthening their institutional structures, legal instruments and manpower capabilities needed for ICZM, including through facilitating access to, and transfer of, environmentally sound technologies;

(b) Marine environmental protection, by appropriate technical, administrative and legal measures contributing to the improved protection of the marine and coastal environment; by facilitating and guiding the assessment of the state of the marine and coastal environment; and by preventing the degradation of the marine environment from land-based and sea-based activities;

(c) Sustainable use and conservation of marine living resources under national jurisdiction, through closer cooperation between the programme and mechanisms and bodies dealing with fisheries and through measures for the improved protection of endangered species, fragile ecosystems, habitats and other ecologically sensitive areas and for the restoration of damaged systems and areas;

(d) Addressing critical uncertainties for the management of the marine environment and climate change, by strengthening and expanding the ongoing research, monitoring and observation activities undertaken within the framework of the programme; by strengthening international, including regional, cooperation and coordination; and by preparing and convening, possibly in 2000, a joint meeting of the representatives of the governing bodies of the regional components of the programme, to review overall progress in the programme and to determine ways and means of enhancing its contribution to the global protection of the marine and coastal environment through regional and interregional cooperation; and

(e) Sustainable development of small islands, by pursuing the specific goals of the Programme of Action for the Sustainable Development of Small Island Developing States in all appropriate regions covered by the regional seas programmes.

12. UNEP will also explore the need and possibility for expansion of the regional seas programme to geographical areas currently not covered by the programme.

13. In addition, in order to further the principles and goals of chapter 17, UNEP will continue contributing to the implementation of Agenda 21, through ongoing UNEP programme elements and activities; through programmes and conventions for which UNEP acts as secretariat, coordinator or lead agency; and through the Global Environment Facility (GEF), by, inter alia, coordinating the implementation of GEF-supported projects for which UNEP has assumed direct responsibility, such as the global international water assessment.

II. IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE SUSTAINABLE DEVELOPMENT OF SMALL ISLAND DEVELOPING STATES

A. Background

14. Most small island developing States are located within the tropics and are small, low lying, sandy and infertile, densely populated and poorly endowed with resources and opportunities for land-based development. In addition, they tend to be characterized by a physically fragile environment; high dependence on foreign development assistance; high level of urban unemployment and rural under-employment; extremely vulnerable undiversified economies; and, in some cases, substantial rates of outward population migration resulting in critical losses of skills to the economy.

15. Small island developing States are known for their rich biological diversity and the high degree of endemism. At the same time, this biological diversity is extremely fragile. Approximately 75 per cent of the documented animal extinctions since 1600 have occurred on non-continental islands and another 3,000 species are known to be threatened. Maintaining the biological diversity of small island developing States is, therefore, globall important and merits particular attention.

16. Chapter 17 of Agenda 21 identifies the sustainable development of small islands as one of the programme areas where new approaches for management and development are required at the national, subregional, regional and global levels.

17. The small size, isolation and relative paucity of resources are not, however, the only factors rendering the environment and social and economic development of small island developing States particularly vulnerable. in addition, most such States are located in geographical areas where they are exposed to periodic hostile environmental conditions and events and the predicted consequences of climate change will further increase their vulnerability. Although tourism currently represents a major economic sector, the vastness of seas surrounding small island developing States is,

in the long term, probably their major, if not their only, comparative advantage over the continental countries. The wealth contained in their exclusive economic zones is considerable, albeit largely underutilized.

18. These factors seriously limit the sustainable development options of small island developing States and endanger their rich and diverse cultures. Accordingly, their continuing development will critically depend on full exploitation of the comparative advantages offered by their unique coastal and marine resources, including their rich biodiversity, and effective adaptation to global environmental change.

19. The Global Conference on the Sustainable Development of Small Island Developing States, held in Bridgetown, Barbados, in 1994 adopted the Programme of Action for Sustainable Development of Small Island Developing States and identified fifteen priority areas for action. The United Nations Department for Policy Coordination and Sustainable Development assumed the coordinating role for the implementation of the Programme of Action.

B. Past and current action by UNEP to facilitate the environmental aspects of the Barbados Programme of Action

20. The 1994 Conference which adopted the Barbados Programme of Action recognized the role of UNEP in providing policy guidance and coordination in the field of environment, including with regard to small island developing States. Special attention in the implementation of the Programme of Action was focused by UNEP on promoting efficient protection of resources through integrated island management programmes, including in most cases the totality of the islands' terrestrial environment, its coastline and the adjacent exclusive economic zones.

21. In several regions, regional action plans have been adopted for the implementation of the Programme of Action. In addition, national and regional project proposals are under preparation, with a view to their submission for consideration at a meeting of donors, planned to be organized with the assistance of UNEP in February 1999.

22. Assistance is being provided by UNEP to small island developing States in preparing their regional position papers for submission to the Commission on Sustainable Development at its seventh session. In addition, an ecological vulnerability index is being formulated, to assess the ecological fragility of small island developing States.

23. UNEP also contributed to activities in specific priority areas, including: integrated water management; climate change and sea-level rise; management of wastes; biological resources and biodiversity; science and technology; national institutions and administrative capacity; tourism; and implementation, monitoring and review.

C. State of the environment and trends since the adoption of the Barbados Programme of Action

24. As noted above, the environment of small island developing States is particularly vulnerable and there are numerous impediments to their social and economic development. Prominent among these problems are deforestation

and forest degradation, which are on the increase, and the replacement, under population and economic pressures, of the traditional and environmentally friendly systems of subsistence agriculture by more intensive and unsustainable exploitation.

25. Modification of coastal and marine ecosystems is of particular concern. Ecologically important coastal habitats are increasingly being reduced by land-reclamation schemes, unsustainable exploitation, and the development of aquaculture. Degradation and loss of coral reefs is widespread.

26. The decline and loss of some fisheries resources, both in coastal waters and the adjacent exclusive economic zones, is far advanced, as a result of overfishing or fishing with inappropriate methods, compounded by the technical inability of most small island developing States to control the foreign fishing fleets illegally operating in their exclusive economic zones.

27. Aquaculture in many small island developing States is growing in importance as a substitute for proteins previously provided by traditional fishing, but so are its negative environmental effects.

28. Although some small island developing States have set aside a considerable part of their territory, including coastal waters, as specially protected areas, in most other such States the extent of such areas is almost negligible. In addition, pollution from human, industrial and agricultural wastes, including the pollution of scarce island freshwater resources, is on the increase.

29. In addition to their high vulnerability to global climate change and sea-level rise, small island developing States are, by their geographical location, exposed to frequent major natural disasters, frequently of near-catastrophic proportions.

D. Major future environmental challenges for small island developing States

30. In many instances, the current national development plans of small island developing States do not consider their development priorities in the context of constraints posed by environmental conditions. Accordingly, a better integration of economic goals and environmental concerns should be achieved at national levels, in order to ensure the protection and sustainable use of environmental resources.

31. The information base on the status of natural resources and on the trends in the changes of these resources is still generally inadequate for small island developing States. A continuous assessment of the state of the environment and of social and economic forces driving the environmental changes would have to be strengthened as an indispensable tool in national decision-making processes.

32. Other necessary measures to address the environmental problems of small island developing States should be implemented in such areas as, inter alia, appropriate waste management; the impacts of tourism development; climate change and sea-level rise in general; shortage of freshwater; degradation and loss of terrestrial and coastal ecosystems and habitats; and the unsustainable use of biological resources.

D. Proposed future UNEP actions to address the environmental challenges facing small island developing States

33. UNEP, in cooperation with the organizations supporting the Programme of Action and, whenever appropriate, using the relevant regional components of the regional seas programme will continue contributing to the implementation of the Programme of Action through the activities identified above.

34. Particular attention will be paid to promoting efficient protection and use of resources through integrated island management programmes, including in most cases the totality of an island's terrestrial environment, its coastline and the adjacent exclusive economic zone, by:

(a) Supporting the monitoring and assessment of the state of the environment of small island developing States;

(b) Assisting countries in the development or strengthening of their economic and legal instruments, including appropriate guidelines for improved protection and sustainable use of their resources through integrated island management programmes;

(c) Promoting transfer and facilitating access to scientific information and advice on technical means and technologies appropriate to small island developing States;

(d) Training, capacity-building, institutional strengthening, awareness-raising and other measures, inter alia, to develop the capacity of small island developing States for the implementation of integrated island management programmes.

III. SUSTAINABLE TOURISM

A. Background

35. With more than 260 million employees and annual investments in capital projects of more than $800 billion, tourism ranks alongside such sectors as construction and petrochemicals as one of the world's biggest industries. Current estimates are that tourism accounts for about 10.7 per cent of the world gross domestic product (GDP) and the sector is growing rapidly. Tourism therefore has an important economic role, and can contribute significantly to social and economic development and conservation.

36. Tourism also has important environmental impacts resulting from resource consumption, as well as from pollution, wastes and the effects of transport. At the same time, beaches and mountains, rivers, forests and biodiversity make the environment a basic resource upon which the tourism industry depends to thrive and grow; and threats to the environment also threaten the viability of the tourism industry. It therefore makes good business sense for the tourism industry to operate in an environmentally sound manner. The goal of sustainable tourism is to minimize the negative and maximize the positive impacts.

37. Sustainable tourism is tourism that puts sustainable development into practice in its development, management and integration with the wider economy, society and the environment. It includes the participation of local communities in tourism and ensures that they have an equitable share in its benefits, so as to protect the quality of human and natural environments and resources on which tourism depends; and it operates within natural capacities for the regeneration and future productivity of natural resources.

38. The goal of the proposed UNEP principles for the implementation of sustainable tourism is to catalyse appropriate actions by the many actors involved in tourism. The proposed principles consolidate guidelines that are already available into a coherent set of key principles to guide stakeholders in the development and implementation of sustainable tourism.

39. In particular, the proposed UNEP principles for the implementation of sustainable tourism are set out:

(a) To provide a coherent framework for more specific guidelines to be prepared by the various conventions, including the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change, the regional seas action plans and other international agreements that already address, or will address, tourism issues;

(b) To help Governments and intergovernmental, private-sector and other organizations in applying the general concept of sustainable tourism in practice, and in minimizing environmental impacts from tourism.

40. The proposed principles are supported by the proposed UNEP work programme on sustainable tourism. This work programme builds on activities already developed by UNEP, in particular by the UNEP Industry and Environment Office.

B. Proposed UNEP principles for the implementation of sustainable tourism

Principle 1: Integration of tourism into the overall policy for sustainable development

41. Principle 1 shall cover, inter alia, national strategies, interagency coordination and cooperation, integrated management and measures to reconcile conflicting resource uses between tourism and other activities.

Principle 2: Development of sustainable tourism

42. Principle 2 shall cover, inter alia, planning for development and land-use at the subnational level, environmental impact assessments, planning measures, the development of an effective legislative framework for the tourism sector, environmental standards to protect the environment and regional standards to ensure that tourism and the environment are mutually supportive at a regional level.

Principle 3: Management of tourism

43. Principle 3 shall cover, inter alia, initiatives by industry, the monitoring and review of tourism activities, the promotion of environmentally sound technologies for tourism, measures to monitor compliance and enforcement activities.

Principle 4: Conditions for success

44. Principle 4 shall cover, inter alia, the involvement of stakeholders in the development and implementation of tourism plans and information exchange between Government and all stakeholders.

Principle 5: Capacity-building

45. Principle 5 shall cover, inter alia, measures to ensure the effective implementation of sustainable tourism, in general, and of these principles in particular, through capacity-building programmes to develop and strengthen human resources and institutional capacities in government at national and local levels, and among local communities.

C. Proposed UNEP work programme on sustainable tourism for the 2000-2001 biennium

46. The proposed UNEP work programme on sustainable tourism builds on activities that have already been developed by UNEP, in particular by the UNEP Industry and Environment Office. It is aimed at providing tools to assist Governments and the tourism industry to promote best practice in the tourism sector, and appropriate development and management of tourism in sensitive areas. It is designed to support the proposed UNEP principles for the implementation of sustainable tourism, and to put into a coherent framework the specific guidelines relating to tourism that are being prepared by the various Conventions.

47. The proposed work programme will be carried out in cooperation with other international organizations, in particular with the World Tourism Organization and the United Nations Educational, Scientific and Cultural Organization (UNESCO), and through dialogue with all those involved in tourism development, operation and management - governments at national and local level, the private sector and institutions financing tourism.

Work programme element 1: Improve assessment of environmental impacts

48. Element 1 will include activities to assess the impact of environmental threats on the tourism industry.

Work programme element 2: Raise awareness and build capacity of the tourism industry by providing information on sustainable tourism

49. Element 2 will include activities to promote environmentally sound technologies and best practices for tourism, environmental management systems in the tourism industry and measures to address new sectors in the tourism industry, such as sports facilities and the environment.

Work programme element 3: Launch the "UNEP tourism initiative" to assist the tourism industry in implementing sustainable solutions

50. Element 3 will include activities, inter alia, to initiate contacts with leading tourism companies, to lay the groundwork for the "UNEP tourism initiative" and to draft codes of conduct and guidelines.

Work programme element 4: Build public authorities' capacity by assisting them and providing information

51. Element 4 will be concerned inter alia, with the costs and benefits of tourism development; the application of green accounting; the use of economic incentives to promote sustainable tourism; and support for local authorities in destination management, including training in and the management of World Heritage Sites.

Work programme element 5: Change consumption patterns in the tourism sector

52. Element 5 will be concerned with consumption patterns of both suppliers and consumers in the tourism industry.

IV. SUSTAINABLE PRODUCTION AND CONSUMPTION

A. Background

53. UNEP commenced its work on issues related to cleaner production - subsequently enlarged to cover the broader theme of sustainable production and consumption - in 1989, at the request of the Governing Council, which, by its decision 15/37 of 25 May 1989, requested UNEP to continue its catalytic role to promote, with Governments, industry, research organizations and other relevant institutions, the establishment of a network which would allow the transfer of environment protection strategies.

54. By its decision 16/33 of 31 May 1991, the Governing Council referred to the "transfer of environmentally sound industrial production technology", and called on UNEP to develop further the cleaner production programme in this regard, including the fostering of transfer of technologies and management tools that reduced emissions at source and conserved raw materials and energy.

55. The programme was launched at the first international high-level cleaner production seminar, held in September 1990 in Canterbury, hosted by the Government of the United Kingdom of Great Britain and Northern Ireland.

56. Subsequently UNEP provided input to the United Nations Conference on Environment and Development in 1992, as a result of which the cleaner production concept was incorporated in Agenda 21, in particular in chapter 4, on changing consumption patterns, and chapter 30, on strengthening the role of business and industry. Many other chapters also support the cleaner production concept through specific recommendations.

57. The high-level seminar in Paris hosted by the French Government in 1992, just after the Earth Summit, stressed the need for more industry participation in the growing network and the concept of National Cleaner Production Centres was suggested as a vehicle to catalyse national programmes on training, demonstration, policy advice and information dissemination.

58. In 1993, by its decision 17/17 of 21 May 1993, the Governing Council noted progress by the programme, and asked UNEP to address the issues of technology transfer by examining the possibility of elaborating guidelines concerning necessary information to be provided by technologies.

59. As part of its catalytic role in national capacity-building within the UN system, UNEP joined with UNIDO in 1994 in launching the first group of national cleaner production centres in Brazil, China, Czech Republic, India, Mexico, Slovakia, Tanzania, and Zimbabwe, subsequently joined by Tunisia and Hungary in 1996, and Costa Rica, El Salvador, Guatemala, Nicaragua and VietNam in 1998. Following the same model, other centres sponsored by bilateral agencies were established in other countries.

60. By its decision 18/23 of 26 May 1995, the Governing Council noted with appreciation the progress made in promoting cleaner and safer production, called upon funding agencies to take the issue into account in their financing programmes, requested UNEP to proceed with drafting guidelines on environmental information needed in relation to technology export.

61. The sustainable production and consumption programme is supported in part by the Environment Fund, and in part by counterpart contributions from Governments, The European Commission, and in-kind contributions of personnel and meeting support by the governments of Australia, Denmark, Korea, the Netherlands, Norway, the United Kingdom and the United States of America. A number of industry associations and companies from all parts of the world are also involved in the programme.

B. Achievements and remaining challenges

62. The sustainable production and consumption programme has made significant progress over the years since its inception. Its main achievements to date include the following:

(a) Better definition of the cleaner production concept and its relationship to similar concepts promoted by other organizations such as eco-efficiency, green productivity, pollution prevention, etc.;

(b) Creation of a greater global awareness of the principles and applicability of cleaner production, and the roles of different industrial and governmental bodies to promote them;

(c) More effective level of information exchange on cleaner technologies via the international cleaner production information clearing-house (ICPIC), now available on the Internet;

(d) Establishment of international networks of cleaner production experts and organizations involved in cleaner production, including the functioning of working groups in various industry sectors, and maintaining and updating publication on cleaner production information sources;

(e) Wider use around the world of cleaner production diagnostic and management tools by national organizations and institutes, and an increased capacity of individual countries through the establishment of national cleaner production centres, and other bilateral assistance programmes catalysed by the UNEP programme;

(f) Launching of the International Declaration on Cleaner Production in 1998 as a way of enlisting further global support, and to define more concrete means of implementation; and

(g) Increased interagency cooperation on cleaner production.

63. The remaining challenges to a full adoption of cleaner production include:

(a) Further raising of general awareness of the advantages and options in cleaner production, especially by small and medium size enterprises, through greater use of the electronic media, conference presentations and training workshops;

(b) Increasing the involvement of the banking sector in realizing cleaner production investments;

(c) Encouraging greater incorporation of sustainable and consumption as key learning items in the undergraduate training of professionals in all countries, by engaging the formal tertiary education sector in a stronger dialogue on curriculum change in institutions;

(d) Catalysing a stronger move from awareness to action by the various stakeholders and partners in cleaner production through demonstration and pilot projects, and by encouraging benchmarking among cleaner production programmes and centres; and

(e) Further examining the underlying factors and driving forces for the transfer of outdated technologies, and to develop further information exchanges in this regard.

C. Proposed UNEP work programme on sustainable production and consumption for the 2000-2001 biennium

40. The sustainable production and consumption subprogramme element of the UNEP programme of work should address the remaining challenges outlined above, and adapt to the changing environmental context. The shift in focus involves two aspects in particular:

(a) Stronger move to implementation through the use of new environmental management instruments to support cleaner production, with emphasis also on financial mechanisms to promote cleaner production investments;

(b) Greater focus on upstream aspects of product life-cycle, with particular attention on promoting sustainable consumption patterns.

41. The future programme of activities would therefore include the following elements:

(a) Fostering effective implementation of the cleaner production approach, in particular by:

(i) Using the Cleaner Production Declaration as leverage in further awareness-raising, and capacity-building to strengthen existing programmes and reach out to new audiences;

(ii) Further development and capacity-building on the use of environmental management tools, including environmental reporting and benchmarking;

(iii) Further emphasis on environmental technology assessment as a way of improving technology choices in developing countries;

(b) Improving the financing mechanisms for cleaner production investments through the launch of a major programme in 1998 - 2000 (funded by the Government of Norway), including pilot and demonstration studies in a studies in a number of countries where cleaner production programmes need to be strengthened;

(c) Further study of economic instruments and voluntary measures to complement traditional regulatory instruments;

(d) Activities concerning sustainable consumption, in particular to focus on consumption patterns and the supply-chain management in industry, and to build a broader worldwide dialogue on consumption patter issues generally;

(e) UNEP initiative with the advertizing and marketing sectors, to define their role in moving to more sustainable consumption patters.